## Senate Bill No. 1474

## **CHAPTER 256**

An act to amend Section 66516 of, and to add Section 66516.5 to, the Government Code, and to amend Sections 29142.4 and 99314.7 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 20, 1996. Filed with Secretary of State July 22, 1996.]

## LEGISLATIVE COUNSEL'S DIGEST

SB 1474, Kopp. Transportation: Metropolitan Transportation Commission: regional transit coordinating councils: duties.

Existing law requires the Metropolitan Transportation Commission, in coordination with the transit operator coordinating council established by the commission pursuant to a specified provision of existing law, to adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction.

This bill would, instead, require the commission to adopt the specified rules and regulations in coordination with a regional transit coordinating council.

The bill would authorize the commission, in consultation with the council, to identify those functions performed by individual public transit systems that could be consolidated to improve service. The bill would authorize the commission to recommend that those functions be consolidated, as specified.

The bill would also authorize the commission to improve service coordination and effectiveness in specified transit corridors by adopting specified improvements in those corridors.

The people of the State of California do enact as follows:

SECTION 1. Section 66516 of the Government Code is amended to read:

66516. The commission, in coordination with the regional transit coordinating council established by the commission pursuant to Section 29142.4 of the Public Utilities Code, shall adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction. The commission shall require every system to enter into a joint fare revenue sharing agreement with connecting systems consistent with the commission's rules and regulations.

SEC. 2. Section 66516.5 is added to the Government Code, to read:

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66516.5. The commission may do the following:

- (a) In consultation with the regional transit coordinating council, identify those functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service, and recommend that those functions be consolidated and performed through inter-operator agreements or as services contracted to a single entity.
- (b) Improve service coordination and effectiveness in those transit corridors identified as transit corridors of regional significance by the commission in consultation with the regional transit coordinating council by recommending improvements in those corridors, including, but not limited to, reduction of duplicative service and institution of coordinated service across public transit system boundaries.
- SEC. 3. Section 29142.4 of the Public Utilities Code is amended to read:
- 29142.4. No funds shall be allocated to an entity pursuant to Section 29142.2, after January 1, 1978, unless, as determined by the Metropolitan Transportation Commission, the transit operator:
- (a) Is a participating member of a regional transit coordinating council which the commission shall establish to better coordinate routes, schedules, fares, and transfers among the San Francisco Bay area transit operators and to explore potential advantages of joint ventures in areas such as marketing, maintenance, and purchasing. The commission shall be a member of the council.
- (b) Establishes, for the period for which the funds are allocated, fare levels such that fare revenues equal at least 33 percent of its operating cost, which shall be all of its costs in the expense object classes, exclusive of the costs of the depreciation and amortization expense object classes, of the uniform system of accounts and records adopted by the State Controller pursuant to Section 99243. The allocation period shall not be less than one calendar quarter nor longer than one fiscal year, as determined by the commission. For purposes of this subdivision, the two special transit service districts of the Alameda-Contra Costa Transit District shall be considered separate transit districts. On and after July 1, 1981, the commission may grant, any operator which was in compliance with the 33 percent requirement prior to that date, a credit not to exceed 5 percent to meet that requirement on the basis of special operating characteristics of its transit system, including, but not limited to, its transfer and special fare policies. In no event shall the combined fare revenues of the three operators, excluding any credit granted by the commission, be less than 33 percent of their combined operating cost.
- (c) Has complied with standards established by the commission pursuant to Section 66517.5 of the Government Code.
- SEC. 4. Section 99314.7 of the Public Utilities Code is amended to read:

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99314.7. (a) In allocating funds for operating purposes pursuant to Sections 99313 and 99314, the Metropolitan Transportation Commission shall apply the following eligibility standards to the operators within the region subject to its jurisdiction:

- (1) An operator is not eligible for its full allocation under this section unless the operator has been found to have made reasonable effort in implementing productivity improvements pursuant to Section 99244. In determining whether a reasonable effort has been made, the Metropolitan Transportation Commission shall give consideration to whether the operator would qualify for funding under Section 99314.6. The amount of funds allocated shall be reduced in an amount that the Metropolitan Transportation Commission deems proportionate to the failure of the operator to implement the recommended improvements. The Metropolitan Transportation Commission shall adopt rules and regulations, in cooperation with the affected operators, governing the allocation of any funds withheld under this paragraph, subject to paragraphs (2) and (3).
- (2) Notwithstanding paragraph (1), an operator shall not receive any funds pursuant to Section 99313 or 99314 unless it has complied with the applicable rules , regulations, and recommendations adopted by the Metropolitan Transportation Commission pursuant to Sections 66516 and 66516.5 of the Government Code.
- (3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the Metropolitan Transportation Commission for reallocation to that operator for two years following the year of ineligibility. With respect to the funds withheld from an pursuant to paragraph (1), the Metropolitan Transportation Commission shall reallocate those funds to the operator if the operator complies with that paragraph within two years. Funds not reallocated to the operator, and funds withheld pursuant to paragraph (2), shall be allocated to any eligible operator within the region subject to the jurisdiction of the Metropolitan Transportation Commission for the purpose of improving coordination among the operators, or to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the Consumer Price Index. Funds allocated for these purposes are exempt from subdivision (a).
- (b) For purposes of this section, "operating cost," "revenue vehicle hour," and "Consumer Price Index" have the same meaning as defined in Section 99314.6.